

104TH CONGRESS  
1ST SESSION

# H. R. 1468

To amend title 38, United States Code, to revise and improve veterans' health care programs, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 1995

Mr. EDWARDS (for himself and Mr. MONTGOMERY) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to revise and improve veterans' health care programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Veterans Health Improvements Act of 1995”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.

### TITLE I—WOMEN VETERANS HEALTH IMPROVEMENTS

- Sec. 101. Short title.
- Sec. 102. Health care services for women.

- Sec. 103. Women's health services.
- Sec. 104. Mammography quality standards.
- Sec. 105. Coordinators of women's services.
- Sec. 106. Patient privacy for women patients.

#### TITLE II—CARE FOR VETERANS EXPOSED TO TOXIC SUBSTANCES

- Sec. 201. Authority to provide priority health care.
- Sec. 202. Savings provision.

#### TITLE III—READJUSTMENT SERVICES

- Sec. 301. Scope of services provided in vet centers.
- Sec. 302. Advisory committee on the readjustment of veterans.

#### TITLE IV—SERVICES FOR MENTALLY ILL VETERANS

- Sec. 401. Authority to establish nonprofit corporations.
- Sec. 402. Extension of demonstration program.
- Sec. 403. Department committee on care of severely chronically mentally ill veterans.
- Sec. 404. Centers for mental illness research, education, and clinical activities.
- Sec. 405. Codification and extension of authority for community-based residential care for homeless chronically mentally ill veterans and other veterans.

#### TITLE V—CONSTRUCTION PLANNING

- Sec. 501. Strategic planning.
- Sec. 502. Revision to prospectus requirements.
- Sec. 503. Annual compilation of construction priorities.
- Sec. 504. Definition of major medical facility project.

#### TITLE VI—GENERAL HEALTH ADMINISTRATION

##### Subtitle A—Health Care Administration

- Sec. 601. Overnight lodging in Department facilities when necessary for out-patient care.
- Sec. 602. Pilot program for noninstitutional alternatives to nursing home care.
- Sec. 603. Drug and alcohol abuse and dependence.
- Sec. 604. Per diem for adult day health care.
- Sec. 605. State home construction assistance program.

##### Subtitle B—Personnel Administration

- Sec. 611. Limitation on reduction in full-time equivalent positions.
- Sec. 612. Permanent authority for waiver of reduction of retirement pay for registered-nurse positions.
- Sec. 613. Staffing flexibility.
- Sec. 614. Protection against certain prohibited personnel practices.
- Sec. 615. Extension of Health Scholarship Program.

##### Subtitle C—Health Care Resource Agreements

- Sec. 621. Repeal of termination of authority for expanded sharing arrangements.
- Sec. 622. Acquisition of health care resources.

Sec. 623. Sharing agreements for specialized medical resources.

Subtitle D—Miscellaneous

Sec. 631. Department of Veterans Affairs research advisory committees.

Sec. 632. Technical amendments.

Sec. 633. Submittal date for report on annual analysis of departmentwide admissions policies.

Sec. 634. Child care services.

Sec. 635. Contracts for utilities, Audie L. Murphy Memorial Hospital.

Sec. 636. Authority to enter into agreement for use of property at Edward Hines, Jr., Department of Veterans Affairs Hospital.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of title 38, United States Code.

7 **TITLE I—WOMEN VETERANS**  
8 **HEALTH IMPROVEMENTS**

9 **SEC. 101. SHORT TITLE.**

10 This title may be cited as the “Women Veterans  
11 Health Improvements Act of 1995”.

12 **SEC. 102. HEALTH CARE SERVICES FOR WOMEN.**

13 (a) ENSURED PROVISION OF SERVICES.—The Sec-  
14 retary of Veterans Affairs shall ensure that each health-  
15 care facility under the direct jurisdiction of the Secretary  
16 is able, through services made available either by individ-  
17 uals appointed to positions in the Veterans Health Admin-  
18 istration or under contracts or other agreements made  
19 under section 7409, 8111, or 8152 of title 38, United  
20 States Code, or title II of Public Law 102–585, to provide

1 in a timely and appropriate manner women’s health serv-  
2 ices (as defined in section 1701(10) of title 38, United  
3 States Code (as added by section 103)) to any veteran  
4 described in section 1710(a)(1) of title 38, United States  
5 Code, who is eligible for such services.

6 (b) HEALTH CARE SERVICES TO BE PROVIDED DI-  
7 RECTLY WHEN COST EFFECTIVE.—(1) The Secretary  
8 shall ensure that each health-care facility under the direct  
9 jurisdiction of the Secretary shall provide women’s health  
10 services directly (rather than by contract or other agree-  
11 ment) when it is cost effective to do so.

12 (2) The Secretary shall ensure that each such facility  
13 is provided appropriate equipment, treatment facilities,  
14 and staff to carry out paragraph (1) and to ensure that  
15 the quality of care provided under that paragraph is in  
16 accordance with professional standards.

17 (c) CONFORMING REPEAL.—Section 302 of the Vet-  
18 erans’ Health Care Amendments of 1983 (Public Law 98-  
19 160; 97 Stat. 1004; 38 U.S.C. 1701 note) is repealed.

20 **SEC. 103. WOMEN’S HEALTH SERVICES.**

21 (a) WOMEN’S HEALTH SERVICES.—Section 1701 is  
22 amended—

23 (1) in paragraph (6)(A)(i), by inserting “wom-  
24 en’s health services,” after “preventive health serv-  
25 ices,”; and

1 (2) by adding at the end the following:

2 “(10) The term ‘women’s health services’ means—

3 “(A) health care services to prevent diseases  
4 specific to women, including—

5 “(i) papanicolaou tests (pap smears); and

6 “(ii) breast examinations and mammog-  
7 raphy;

8 “(B) health care services to treat disabilities  
9 specific to women, including management and treat-  
10 ment of osteoporosis;

11 “(C) health care services for management of  
12 menopause;

13 “(D) health care services for the management  
14 and prevention of sexually-transmitted diseases in  
15 women;

16 “(F) counseling and treatment of women for  
17 physical or psychological conditions arising out of  
18 acts of sexual violence;

19 “(G) early detection, management, and treat-  
20 ment for cardiac disease, in the case of women who  
21 are determined to be at risk of cardiac disease; and

22 “(H) health care authorized by paragraph (3)  
23 of section 106(a) of Public Law 102–585 (38 U.S.C.  
24 1710 note), subject to the limitations in that para-  
25 graph.”.

1 (b) EXTENSION OF ANNUAL REPORT REQUIRE-  
2 MENT.—Section 107(a) of the Veterans Health Care Act  
3 of 1992 (Public Law 102–585; 38 U.S.C. 1710 note) is  
4 amended by striking out “Not later than January 1, 1993,  
5 January 1, 1994, and January 1, 1995” and inserting in  
6 lieu thereof “Not later than January 1 of 1993 and each  
7 year thereafter through 1998”.

8 (c) REPORT ON HEALTH CARE AND RESEARCH.—  
9 Section 107(b) of such Act is amended—

10 (1) in paragraph (1), by striking out “services  
11 described in section 106 of this Act” and inserting  
12 in lieu thereof “women’s health services (as such  
13 term is defined in section 1701(10) of title 38, Unit-  
14 ed States Code)”;

15 (2) in paragraph (2)(A), by inserting “(includ-  
16 ing information on the number of inpatient stays  
17 and the number of outpatient visits through which  
18 such services were provided)” after “facility”; and

19 (3) by adding at the end the following new  
20 paragraph:

21 “(5) A description of the actions taken by the  
22 Secretary to foster and encourage the expansion of  
23 such research.”.

1 **SEC. 104. MAMMOGRAPHY QUALITY STANDARDS.**

2 (a) IN GENERAL.—(1) Subchapter II of chapter 73  
3 is amended by adding at the end the following new section:

4 **“§ 7319. Mammography quality standards**

5 “(a) A mammogram may not be performed at a De-  
6 partment facility unless that facility is accredited for that  
7 purpose by a private nonprofit organization designated by  
8 the Secretary. An organization designated by the Sec-  
9 retary under this subsection shall meet the standards for  
10 accrediting bodies established under section 354(e) of the  
11 Public Health Service Act (42 U.S.C. 263b(e)).

12 “(b) The Secretary, in consultation with the Sec-  
13 retary of Health and Human Services, shall prescribe  
14 quality assurance and quality control standards relating  
15 to the performance and interpretation of mammograms  
16 and use of mammogram equipment and facilities of the  
17 Department of Veterans Affairs consistent with the re-  
18 quirements of section 354(f)(1) of the Public Health Serv-  
19 ice Act. Such standards shall be no less stringent than  
20 the standards prescribed by the Secretary of Health and  
21 Human Services under section 354(f) of the Public Health  
22 Service Act.

23 “(c)(1) The Secretary, to ensure compliance with the  
24 standards prescribed under subsection (b), shall provide  
25 for an annual inspection of the equipment and facilities  
26 used by and in Department health care facilities for the

1 performance of mammograms. Such inspections shall be  
2 carried out in a manner consistent with the inspection of  
3 certified facilities by the Secretary of Health and Human  
4 Services under section 354(g) of the Public Health Service  
5 Act.

6 “(2) The Secretary may not provide for an inspection  
7 under paragraph (1) to be performed by a State agency.

8 “(d) The Secretary shall ensure that mammograms  
9 performed for the Department under contract with any  
10 non-Department facility or provider conform to the quality  
11 standards prescribed by the Secretary of Health and  
12 Human Services under section 354 of the Public Health  
13 Service Act.

14 “(e) For the purposes of this section, the term ‘mam-  
15 mogram’ has the meaning given such term in paragraph  
16 (5) of section 354(a) of the Public Health Service Act (42  
17 U.S.C. 263b(a)).”.

18 (2) The table of sections at the beginning of such  
19 chapter is amended by inserting after the item relating  
20 to section 7318 the following new item:

“7319. Mammography quality standards.”.

21 (b) DEADLINE FOR PRESCRIBING STANDARDS.—The  
22 Secretary of Veterans Affairs shall prescribe standards  
23 under subsection (b) of section 7319 of title 38, United  
24 States Code, as added by subsection (a), not later than  
25 the end of the 120-day period beginning on the later of—

1           (1) the date on which the Secretary of Health  
2           and Human Services prescribes quality standards  
3           under section 354(f) of the Public Health Service  
4           Act (42 U.S.C. 263b(f)); or

5           (2) the date of the enactment of this Act.

6           (c) TRANSITION.—(1) Subsection (a) of section 7319  
7           of title 38, United States Code, as added by subsection  
8           (a), shall take effect on the date on which standards are  
9           prescribed by the Secretary of Veterans Affairs under sub-  
10          section (b) of that section.

11          (2) During the transition period, the Secretary of  
12          Veterans Affairs may waive the requirement of subsection  
13          (a) of section 7319 of title 38, United States Code, as  
14          added by subsection (a), to any facility of the Department.  
15          The Secretary may provide such a waiver in the case of  
16          any facility only if the Secretary determines, based upon  
17          the recommendation of the Under Secretary for Health  
18          of the Department of Veterans Affairs, that during the  
19          period such a waiver is in effect for such facility (including  
20          any extension of the waiver under paragraph (3)) the facil-  
21          ity will be operated in accordance with standards pre-  
22          scribed by the Secretary under subsection (b) of such sec-  
23          tion to assure the safety and accuracy of mammography  
24          services provided.

1           (3) The transition period for purposes of this section  
2 is the six-month period beginning on the date specified in  
3 paragraph (1). The Secretary may extend such period for  
4 a period not to exceed 90 days in the case of any Depart-  
5 ment facility. Any such extension may be made only if the  
6 Under Secretary for Health determines that—

7           (A) without the extension access of veterans to  
8 mammography services in the geographic area  
9 served by the facility would be significantly reduced;  
10 and

11           (B) appropriate steps will be taken before the  
12 end of the transition period (as extended) to obtain  
13 accreditation of the facility as required by subsection  
14 (a) of section 7319 of title 38, United States Code,  
15 as added by subsection (a).

16           (d) IMPLEMENTATION REPORT.—The Secretary of  
17 Veterans Affairs shall submit to the Committees on Veter-  
18 ans' Affairs of the Senate and House of Representatives  
19 a report on the Secretary's implementation of section  
20 7319 of title 38, United States Code, as added by sub-  
21 section (a). The report shall be submitted not later than  
22 120 days after the date on which the Secretary prescribes  
23 the quality standards required under subsection (b) of that  
24 section.

1 **SEC. 105. COORDINATORS OF WOMEN'S SERVICES.**

2 (a) FULL-TIME STATUS.—Section 108 of the Veter-  
3 ans Health Care Act of 1992 (Public Law 102–585; 106  
4 Stat. 4948; 38 U.S.C. 1710 note) is amended—

5 (1) by inserting “(a)” before “The Secretary”;  
6 and

7 (2) by adding at the end the following:

8 “(b) Each official who serves in the position of coordi-  
9 nator of women’s services under subsection (a) shall serve  
10 in such position on a full-time basis.”.

11 (b) SUPPORT FOR WOMEN’S SERVICES COORDINA-  
12 TORS.—The Secretary of Veterans Affairs shall take ap-  
13 propriate actions to ensure—

14 (1) that sufficient funding is provided to each  
15 Department of Veterans Affairs facility in order to  
16 permit the coordinator of women’s services assigned  
17 to that facility to carry out the responsibilities of the  
18 coordinator at the facility; and

19 (2) that each such coordinator has direct access  
20 to the Director or Chief of Staff of the facility to  
21 which the coordinator is assigned.

22 **SEC. 106. PATIENT PRIVACY FOR WOMEN PATIENTS.**

23 (a) IDENTIFICATION OF DEFICIENCIES.—The Sec-  
24 retary of Veterans Affairs shall conduct a survey of each  
25 medical center under the jurisdiction of the Secretary to  
26 identify deficiencies relating to patient privacy afforded to

1 women patients in the clinical areas at each such center  
2 which may interfere with appropriate treatment of such  
3 patients.

4 (b) CORRECTION OF DEFICIENCIES.—The Secretary  
5 shall ensure that plans and, where appropriate, interim  
6 steps, to correct the deficiencies identified in the survey  
7 conducted under subsection (a) are developed and are in-  
8 corporated into the Department's construction planning  
9 processes and given a high priority.

10 (c) REPORTS TO CONGRESS.—The Secretary shall  
11 compile an annual inventory, by medical center, of defi-  
12 ciencies identified under subsection (a) and of plans and,  
13 where appropriate, interim steps, to correct such defi-  
14 ciencies. The Secretary shall submit to the Committees on  
15 Veterans' Affairs of the Senate and House of Representa-  
16 tives, not later than October 1, 1995, and not later than  
17 October 1 each year thereafter through 1997 a report on  
18 such deficiencies. The Secretary shall include in such re-  
19 port the inventory compiled by the Secretary, the proposed  
20 corrective plans, and the status of such plans.

1 **TITLE II—CARE FOR VETERANS**  
2 **EXPOSED TO TOXIC SUB-**  
3 **STANCES**

4 **SEC. 201. AUTHORITY TO PROVIDE PRIORITY HEALTH**  
5 **CARE.**

6 (a) AUTHORIZED INPATIENT CARE.—Section  
7 1710(e) of title 38, United States Code, is amended to  
8 read as follows:

9 “(e)(1)(A) Subject to paragraph (2), a herbicide-ex-  
10 posed veteran is eligible for hospital care and nursing  
11 home care under subsection (a)(1)(G) for any disease  
12 specified in subparagraph (B).

13 “(B) The diseases referred to in subparagraph (A)  
14 are those for which the National Academy of Sciences, in  
15 a report issued in accordance with section 2 of the Agent  
16 Orange Act of 1991, has determined—

17 “(i) that there is sufficient evidence to conclude  
18 that there is a positive association between occur-  
19 rence of the disease in humans and exposure to a  
20 herbicide agent;

21 “(ii) that there is evidence which is suggestive  
22 of an association between occurrence of the disease  
23 in humans and exposure to a herbicide agent, but  
24 such evidence is limited in nature; or

1           “(iii) that available studies are insufficient to  
2           permit a conclusion about the presence or absence of  
3           an association between occurrence of the disease in  
4           humans and exposure to a herbicide agent.

5           “(C) A radiation-exposed veteran is eligible for hos-  
6           pital care and nursing home care under subsection  
7           (a)(1)(G) for—

8           “(i) any disease listed in section 1112(c)(2) of  
9           this title; and

10           “(ii) any other disease for which the Secretary,  
11           based on the advice of the Advisory Committee on  
12           Environmental Hazards, determines that there is  
13           credible evidence of a positive association between  
14           occurrence of the disease in humans and exposure to  
15           ionizing radiation.

16           “(D) Subject to paragraph (2), a veteran who the  
17           Secretary finds may have been exposed while serving on  
18           active duty in the Southwest Asia theater of operations  
19           during the Persian Gulf War to a toxic substance or envi-  
20           ronmental hazard is eligible for hospital care and nursing  
21           home care under subsection (a)(1)(G) of this section for  
22           any disability which becomes manifest before October 1,  
23           1996, notwithstanding that there is insufficient medical  
24           evidence to conclude that such disability may be associated  
25           with such exposure.

1       “(2) Hospital and nursing home care may not be pro-  
2       vided under or by virtue of paragraph (1)(A) after Decem-  
3       ber 31, 1996, and may not be provided under or by virtue  
4       of paragraph (1)(D) after December 31, 1998.

5       “(3) For purposes of this subsection and section  
6       1712 of this title—

7               “(A) the term ‘herbicide-exposed veteran’  
8       means a veteran (i) who served on active duty in the  
9       Republic of Vietnam during the Vietnam era, and  
10       (ii) who the Secretary finds may have been exposed  
11       during such service to a herbicide agent;

12               “(B) the term ‘herbicide agent’ has the mean-  
13       ing given that term in section 1116(a)(4) of this  
14       title; and

15               “(C) the term ‘radiation-exposed veteran’ has  
16       the meaning given that term in section 1112(c)(4) of  
17       this title.”.

18       (b) AUTHORIZED OUTPATIENT CARE.—Section 1712  
19       of such title is amended—

20               (1) in subsection (a)(1)—

21                       (A) by striking out “and” at the end of  
22               subparagraph (C);

23                       (B) in subparagraph (D)—

1 (i) by striking out “December 31,  
2 1995” and inserting in lieu thereof “De-  
3 cember 31, 1998”; and

4 (ii) by striking out the period at the  
5 end and inserting in lieu thereof a semi-  
6 colon; and

7 (C) by adding at the end the following:

8 “(E) during the period before January 1,  
9 1997, to any herbicide-exposed veteran for any  
10 disease listed in section 1710(e)(1)(B) of this  
11 title; and

12 “(F) to any radiation-exposed veteran for  
13 any disease covered under section  
14 1710(e)(1)(C) of this title.”; and

15 (2) in subsection (i)(3)—

16 (A) by striking out “(A)”; and

17 (B) by striking out “, or (B)” and all that  
18 follows through “title”.

19 **SEC. 202. SAVINGS PROVISION.**

20 The provisions of sections 1710(e) and 1712(a) of  
21 title 38, United States Code, as in effect on the day before  
22 the date of the enactment of this Act, shall continue to  
23 apply on and after such date with respect to the furnishing  
24 of hospital care, nursing home care, and medical services  
25 for any veteran who was furnished such care or services

1 before such date of enactment on the basis of presumed  
2 exposure to a substance or radiation under the authority  
3 of those provisions, but only for treatment for a disability  
4 for which such care or services were furnished before such  
5 date.

6       **TITLE III—READJUSTMENT**  
7                                   **SERVICES**

8       **SEC. 301. SCOPE OF SERVICES PROVIDED IN VET CENTERS.**

9       (a) EXPANSION OF SERVICES.—Section 1712A is  
10 amended—

11           (1) in subsection (a)(1) by inserting “and, to  
12           the extent otherwise authorized by law, may furnish  
13           such additional needed services as described in sub-  
14           section (i)” in the first sentence after “life”;

15           (2) by redesignating subsection (i) as subsection  
16           (j); and

17           (3) by inserting after subsection (g) the follow-  
18           ing new subsections:

19           “(h) The Secretary may, to the extent resources and  
20           facilities are available, furnish to any veteran who served  
21           in combat during World War II or the Korean conflict  
22           counseling in a center to assist such veteran in overcoming  
23           the effects of the veteran’s combat experience.

24           “(i) In operating centers under this section, the Sec-  
25           retary may provide (1) preventive health care services, (2)

1 medical services reasonably necessary in preparation for  
2 hospital admission or to complete treatment furnished  
3 under section 1710 or 1712(a) of this title, and (3) refer-  
4 ral services to assist in obtaining specialized care. The  
5 Secretary shall provide such services through such health  
6 care personnel as the Secretary determines appropriate.”.

7 (b) REPORT.—Not later than one year after the date  
8 of the enactment of this Act, the Secretary of Veterans  
9 Affairs shall submit to the Committees on Veterans’ Af-  
10 fairs of the Senate and House of Representatives a report  
11 relating to the implementation of the amendments made  
12 by subsection (a). The report shall include the following:

13 (1) The number of veterans provided services  
14 described in section 1712A(i) of title 38, United  
15 States Code, as added by subsection (a).

16 (2) The number of centers which provided serv-  
17 ices described in that section.

18 (3) An assessment of the effect providing such  
19 services has had on access to and timeliness of serv-  
20 ice delivery, both for veterans to whom services de-  
21 scribed in that section were provided and for other  
22 veterans.

1 **SEC. 302. ADVISORY COMMITTEE ON THE READJUSTMENT**  
2 **OF VETERANS.**

3 (a) IN GENERAL.—(1) Subchapter III of chapter 5  
4 is amended by adding at the end the following new section:

5 **“§ 545. Advisory Committee on Veterans Readjust-**  
6 **ment Counseling**

7 “(a)(1) There is in the Department the Advisory  
8 Committee on Veterans Readjustment Counseling (herein-  
9 after in this section referred to as the ‘Committee’).

10 “(2) The members of the Committee shall be ap-  
11 pointed by the Secretary and shall include individuals who  
12 are recognized authorities in fields pertinent to the social,  
13 psychological, economic, or educational readjustment of  
14 veterans. At least two-thirds of the members of the Com-  
15 mittee shall be veterans of the Vietnam era or other period  
16 of war. Appointments of members of the Committee shall  
17 be made from among individuals who have experience with  
18 the provision of veterans benefits and services by the De-  
19 partment or who are otherwise familiar with programs of  
20 the Department.

21 “(3) The Secretary shall seek to ensure that members  
22 appointed to the Committee include persons from a wide  
23 variety of geographic areas, persons from veterans service  
24 organizations, minorities, and women.

25 “(4) The Secretary shall determine the terms of serv-  
26 ice and pay and allowances of the members of the Commit-

1 tee, except that a term of service may not exceed two  
2 years. The Secretary may reappoint any member for addi-  
3 tional terms of service.

4 “(b)(1) The Secretary shall, on a regular basis, con-  
5 sult with and seek the advice of the Committee with re-  
6 spect to the provision by the Department of benefits and  
7 services to veterans in order to assist veterans in the read-  
8 justment to civilian life.

9 “(2) In providing advice to the Secretary under this  
10 subsection, the Committee shall—

11 “(A) assemble and review information relating  
12 to the needs of veterans in readjusting to civilian  
13 life;

14 “(B) provide information relating to the nature  
15 and character of psychological problems arising from  
16 military service;

17 “(C) provide an on-going assessment of the ef-  
18 fectiveness of the policies, organizational structures,  
19 and services of the Department in assisting veterans  
20 in readjusting to civilian life; and

21 “(D) provide on-going advice on the most ap-  
22 propriate means of responding to the readjustment  
23 needs of future veterans.

24 “(3) In carrying out its duties under paragraph (2),  
25 the Committee shall take into special account veterans of

1 the Vietnam era and the readjustment needs of those vet-  
2 erans.

3 “(c)(1) Not later than March 31 of each year, the  
4 Committee shall submit to the Secretary a report on the  
5 programs and activities of the Department that relate to  
6 the readjustment of veterans to civilian life. Each such  
7 report shall include—

8 “(A) an assessment of the needs of veterans  
9 with respect to readjustment to civilian life;

10 “(B) a review of the programs and activities of  
11 the Department designed to meet such needs; and

12 “(C) such recommendations (including rec-  
13 ommendations for administrative and legislative ac-  
14 tion) as the Committee considers appropriate.

15 “(2) Not later than 90 days after the receipt of each  
16 report under paragraph (1), the Secretary shall transmit  
17 to the Committees on Veterans’ Affairs of the Senate and  
18 House of Representatives a copy of the report, together  
19 with any comments and recommendations concerning the  
20 report that the Secretary considers appropriate.

21 “(3) The Committee may also submit to the Sec-  
22 retary such other reports and recommendations as the  
23 Committee considers appropriate.

24 “(4) The Secretary shall submit with each annual re-  
25 port submitted to the Congress pursuant to section 529

1 of this title a summary of all reports and recommendations  
2 of the Committee submitted to the Secretary since the pre-  
3 vious annual report of the Secretary submitted pursuant  
4 to that section.”.

5 (2) The table of sections at the beginning of chapter  
6 5 is amended by adding at the end the following new item:

“545. Advisory Committee on Veterans Readjustment Counseling.”.

7 (b) ORIGINAL MEMBERS.—(1) Notwithstanding sub-  
8 section (a)(2) of section 545 of title 38, United States  
9 Code (as added by subsection (a)), the members of the  
10 Advisory Committee on the Readjustment of Vietnam and  
11 Other War Veterans on the date of the enactment of this  
12 Act shall be the original members of the advisory commit-  
13 tee established under that section.

14 (2) The original members shall so serve until the Sec-  
15 retary of Veterans Affairs carries out appointments under  
16 such subsection (a)(2). The Secretary shall carry out such  
17 appointments as soon as is practicable. The Secretary may  
18 make such appointments from among such original mem-  
19 bers.

## 20 **TITLE IV—SERVICES FOR** 21 **MENTALLY ILL VETERANS**

### 22 **SEC. 401. AUTHORITY TO ESTABLISH NONPROFIT COR-** 23 **PORATIONS.**

24 (a) IN GENERAL.—Chapter 17 is amended by insert-  
25 ing after section 1718 the following new section:

1 **“§ 1718A. Nonprofit corporations**

2       “(a) The Secretary may authorize the establishment  
3 at any Veterans Health Administration facility of a non-  
4 profit corporation (1) to arrange for therapeutic work for  
5 patients of such facility or patients of other such Depart-  
6 ment facilities pursuant to section 1718(b) of this title,  
7 and (2) to provide a funding mechanism to achieve the  
8 purposes of section 1718 of this title.

9       “(b) The Secretary shall provide for the appointment  
10 of a board of directors for any corporation established  
11 under this section and shall determine the number of di-  
12 rectors and the composition of the board of directors. The  
13 board of directors shall include—

14               “(1) the director of the facility and other offi-  
15 cials or employees of the facility; and

16               “(2) members appointed from among individ-  
17 uals who are not officers or employees of the De-  
18 partment.

19       “(c) Each such corporation shall have an executive  
20 director who shall be appointed by the board of directors  
21 with concurrence of the Under Secretary for Health. The  
22 executive director of a corporation shall be responsible for  
23 the operations of the corporation and shall have such spe-  
24 cific duties and responsibilities as the board may pre-  
25 scribe.

1       “(d)(1) A corporation established under this section  
2 shall arrange with the Department under section  
3 1718(b)(2) of this title to provide for therapeutic work for  
4 patients.

5       “(2) Such a corporation may—

6           “(A) accept gifts and grants from, and enter  
7 into contracts with, individuals and public and pri-  
8 vate entities solely to carry out the purposes of this  
9 section; and

10          “(B) employ such employees as it considers nec-  
11 essary for such purposes and fix the compensation  
12 of such employees.

13       “(e)(1) Except as provided in paragraph (2), any  
14 funds received by a corporation established under this sec-  
15 tion through arrangements authorized under subsection  
16 (d)(1) in excess of amounts reasonably required to carry  
17 out this section (including expenditures under subsection  
18 (d)(3)) shall be deposited in or credited to the fund estab-  
19 lished under section 1718(c) of this title.

20       “(2) The Secretary, in consultation with the Inspec-  
21 tor General, shall prescribe regulations to govern the ad-  
22 ministration of funds received by a corporation established  
23 under this section. Such regulations may authorize a cor-  
24 poration to retain funds derived from arrangements au-  
25 thorized under subsection (d)(1).

1       “(3) Any funds received by a corporation established  
2 under this section through arrangements authorized under  
3 subsection (d)(2) may be transferred to the fund estab-  
4 lished under section 1718(c) of this title.

5       “(f) A corporation established under this section shall  
6 be established in accordance with the nonprofit corpora-  
7 tion laws of the State in which the applicable medical facil-  
8 ity is located and shall, to the extent not inconsistent with  
9 Federal law, be subject to the laws of such State.

10       “(g)(1)(A) The records of a corporation established  
11 under this section shall be available to the Secretary.

12       “(B) For the purposes of sections 4(a)(1) and 6(a)(1)  
13 of the Inspector General Act of 1978, the programs and  
14 operations of such a corporation shall be considered to be  
15 programs and operations of the Department with respect  
16 to which the Inspector General of the Department has re-  
17 sponsibilities under such Act.

18       “(2) Such a corporation shall be considered an agen-  
19 cy for the purposes of section 716 of title 31 (relating to  
20 availability of information and inspection of records by the  
21 Comptroller General).

22       “(3) Each such corporation shall submit to the Sec-  
23 retary an annual report providing a detailed statement of  
24 its operations, activities, and accomplishments during that  
25 year. The corporation shall obtain a report of independent

1 auditors concerning the receipts and expenditures of funds  
2 by the corporation during that year and shall include that  
3 report in the corporation's report to the Secretary for that  
4 year.

5       “(4) Each member of the board of directors of a cor-  
6 poration established under this section, each employee of  
7 such corporation, and each employee of the Department  
8 who is involved in the functions of the corporation during  
9 any year shall—

10           “(A) be subject to Federal laws and regulations  
11 applicable to Federal employees with respect to con-  
12 flicts of interest in the performance of official func-  
13 tions; and

14           “(B) submit to the Secretary an annual state-  
15 ment signed by the director or employee certifying  
16 that the director or employee is aware of, and has  
17 complied with, such laws and regulations in the  
18 same manner as Federal employees are required to.

19       “(h) The Secretary shall submit to the Committees  
20 on Veterans' Affairs of the Senate and House of Rep-  
21 resentatives an annual report on the number and location  
22 of corporations established and the amount of the con-  
23 tributions made to each such corporation.

24       “(i) No corporation may be established under this  
25 section after September 30, 1999.

1 “(j) If by the end of the four-year period beginning  
 2 on the date of the establishment of a corporation under  
 3 this section the corporation is not recognized as an entity  
 4 the income of which is exempt from taxation under the  
 5 Internal Revenue Code of 1986, the Secretary shall dis-  
 6 solve the corporation.”.

7 (b) CLERICAL AMENDMENT.—The table of sections  
 8 at the beginning of such chapter is amended by inserting  
 9 after the item relating to section 1718 the following new  
 10 item:

“1718A. Nonprofit corporations.”.

11 **SEC. 402. EXTENSION OF DEMONSTRATION PROGRAM.**

12 Section 7(a) of Public Law 102–54 (105 Stat. 269;  
 13 38 U.S.C. 1718 note) is amended by striking out “1995”  
 14 and inserting in lieu thereof “1998”.

15 **SEC. 403. DEPARTMENT COMMITTEE ON CARE OF SE-**  
 16 **VERELY CHRONICALLY MENTALLY ILL VET-**  
 17 **ERANS.**

18 (a) ESTABLISHMENT.—Subchapter II of chapter 73  
 19 is amended by adding after section 7320, as added by sec-  
 20 tion 304(c), the following new section:

21 **“§ 7321. Committee on Care of Severely Chronically**  
 22 **Mentally Ill Veterans**

23 “(a) ESTABLISHMENT.—The Secretary, acting  
 24 through the Under Secretary for Health, shall establish  
 25 in the Veterans Health Administration a Committee on

1 Care of Severely Chronically Mentally Ill Veterans. The  
2 Under Secretary shall appoint employees of the Depart-  
3 ment with expertise in the care of the chronically mentally  
4 ill to serve on the committee.

5 “(b) DUTIES.—The committee shall assess, and carry  
6 out a continuing assessment of, the capability of the Vet-  
7 erans Health Administration to meet effectively the treat-  
8 ment and rehabilitation needs of mentally ill veterans  
9 whose mental illness is severe and chronic and who are  
10 eligible for health care furnished by the Department. In  
11 carrying out that responsibility, the committee shall—

12 “(1) evaluate the care provided to such veterans  
13 through the Veterans Health Administration;

14 “(2) identify systemwide problems in caring for  
15 such veterans in facilities of the Veterans Health  
16 Administration;

17 “(3) identify specific facilities within the Veter-  
18 ans Health Administration at which program enrich-  
19 ment is needed to improve treatment and rehabilita-  
20 tion of such veterans; and

21 “(4) identify model programs which the com-  
22 mittee considers to have been successful in the treat-  
23 ment and rehabilitation of such veterans and which  
24 should be implemented more widely in or through fa-  
25 cilities of the Veterans Health Administration.

1       “(c) ADVICE AND RECOMMENDATIONS.—The com-  
2 mittee shall—

3           “(1) advise the Under Secretary regarding the  
4 development of policies for the care and rehabilita-  
5 tion of severely chronically mentally ill veterans; and

6           “(2) make recommendations to the Under Sec-  
7 retary—

8           “(A) for improving programs of care of  
9 such veterans at specific facilities and through-  
10 out the Veterans Health Administration;

11           “(B) for establishing special programs of  
12 education and training relevant to the care of  
13 such veterans for employees of the Veterans  
14 Health Administration;

15           “(C) regarding research needs and prior-  
16 ities relevant to the care of such veterans; and

17           “(D) regarding the appropriate allocation  
18 of resources for all such activities.

19       “(d) ANNUAL REPORT.—(1) Not later than April 1,  
20 1996, the Secretary shall submit to the Committees on  
21 Veterans’ Affairs of the Senate and House of Representa-  
22 tives a report on the implementation of this section. The  
23 report shall include the following:

24           “(A) A list of the members of the committee.

1           “(B) The assessment of the Under Secretary  
2 for Health, after review of the initial findings of the  
3 committee, regarding the capability of the Veterans  
4 Health Administration, on a systemwide and facility-  
5 by-facility basis, to meet effectively the treatment  
6 and rehabilitation needs of severely chronically men-  
7 tally ill veterans who are eligible for Department  
8 care.

9           “(C) The plans of the committee for further as-  
10 sements.

11           “(D) The findings and recommendations made  
12 by the committee to the Under Secretary for Health  
13 and the views of the Under Secretary on such find-  
14 ings and recommendations.

15           “(E) A description of the steps taken, plans  
16 made (and a timetable for their execution), and re-  
17 sources to be applied toward improving the capabil-  
18 ity of the Veterans Health Administration to meet  
19 effectively the treatment and rehabilitation needs of  
20 severely chronically mentally ill veterans who are eli-  
21 gible for Department care.

22           “(2) Not later than February 1, 1997, and February  
23 1 of each of the three following years, the Secretary shall  
24 submit to the Committees on Veterans’ Affairs of the Sen-  
25 ate and House of Representatives a report containing in-

1 formation updating the reports submitted under this sub-  
2 section before the submission of such report.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 at the beginning of chapter 73 is amended by inserting  
5 after the item relating to section 7320, as added by section  
6 304(b), the following new item:

“7321. Committee on Care of Severely Chronically Mentally Ill Veterans.”.

7 **SEC. 404. CENTERS FOR MENTAL ILLNESS RESEARCH, EDU-**  
8 **CATION, AND CLINICAL ACTIVITIES.**

9 (a) IN GENERAL.—(1) Subchapter II of chapter 73  
10 is amended by adding after section 7321, as added by sec-  
11 tion 403(a), the following new section:

12 **“§ 7322. Centers for mental illness research, edu-**  
13 **cation, and clinical activities**

14 “(a) The purpose of this section is to provide for the  
15 improvement of the provision of health-care services and  
16 related counseling services to eligible veterans suffering  
17 from mental illness (especially mental illness related to  
18 service-related conditions) through—

19 “(1) the conduct of research (including research  
20 on improving mental health service facilities of the  
21 Department and on improving the delivery of mental  
22 health services by the Department);

23 “(2) the education and training of health care  
24 personnel of the Department; and

1           “(3) the development of improved models and  
2           systems for the furnishing of mental health services  
3           by the Department.

4           “(b)(1) The Secretary shall establish and operate  
5           centers for mental illness research, education, and clinical  
6           activities. Such centers shall be established and operated  
7           by collaborating Department facilities as provided in sub-  
8           section (c)(1). Each such center shall function as a center  
9           for—

10           “(A) research on mental health services;

11           “(B) the use by the Department of specific  
12           models for furnishing services to treat serious men-  
13           tal illness;

14           “(C) education and training of health-care pro-  
15           fessionals of the Department; and

16           “(D) the development and implementation of  
17           innovative clinical activities and systems of care with  
18           respect to the delivery of such services by the De-  
19           partment.

20           “(2) The Secretary shall, upon the recommendation  
21           of the Under Secretary for Health, designate the centers  
22           under this section. In making such designations, the Sec-  
23           retary shall ensure that the centers designated are located  
24           in various geographic regions of the United States. The

1 Secretary may designate a center under this section only  
2 if—

3           “(A) the proposal submitted for the designation  
4           of the center meets the requirements of subsection  
5           (c);

6           “(B) the Secretary makes the finding described  
7           in subsection (d); and

8           “(C) the peer review panel established under  
9           subsection (e) makes the determination specified in  
10          subsection (e)(3) with respect to that proposal.

11          “(3) Not more than five centers may be designated  
12          under this section.

13          “(4) The authority of the Secretary to establish and  
14          operate centers under this section is subject to the appro-  
15          priation of funds for that purpose.

16          “(c) A proposal submitted for the designation of a  
17          center under this section shall—

18                 “(1) provide for close collaboration in the estab-  
19                 lishment and operation of the center, and for the  
20                 provision of care and the conduct of research and  
21                 education at the center, by a Department facility or  
22                 facilities in the same geographic area which have a  
23                 mission centered on care of the mentally ill and a  
24                 Department facility in that area which has a mission  
25                 of providing tertiary medical care;

1           “(2) provide that no less than 50 percent of the  
2 funds appropriated for the center for support of clin-  
3 ical care, research, and education will be provided to  
4 the collaborating facility or facilities that have a  
5 mission centered on care of the mentally ill; and

6           “(3) provide for a governance arrangement be-  
7 tween the collaborating Department facilities which  
8 ensures that the center will be established and oper-  
9 ated in a manner aimed at improving the quality of  
10 mental health care at the collaborating facility or fa-  
11 cilities which have a mission centered on care of the  
12 mentally ill.

13          “(d) The finding referred to in subsection (b)(2)(B)  
14 with respect to a proposal for designation of a site as a  
15 location of a center under this section is a finding by the  
16 Secretary, upon the recommendation of the Under Sec-  
17 retary for Health, that the facilities submitting the pro-  
18 posal have developed (or may reasonably be anticipated  
19 to develop) each of the following:

20           “(1) An arrangement with an accredited medi-  
21 cal school that provides education and training in  
22 psychiatry and with which one or more of the par-  
23 ticipating Department facilities is affiliated under  
24 which medical residents receive education and train-  
25 ing in psychiatry through regular rotation through

1 the participating Department facilities so as to pro-  
2 vide such residents with training in the diagnosis  
3 and treatment of mental illness.

4 “(2) An arrangement with an accredited grad-  
5 uate school of psychology under which students re-  
6 ceive education and training in clinical, counseling,  
7 or professional psychology through regular rotation  
8 through the participating Department facilities so as  
9 to provide such students with training in the diag-  
10 nosis and treatment of mental illness.

11 “(3) An arrangement under which nursing, so-  
12 cial work, or allied health personnel receive training  
13 and education in mental health care through regular  
14 rotation through the participating Department facili-  
15 ties.

16 “(4) The ability to attract scientists who have  
17 demonstrated achievement in research—

18 “(A) into the evaluation of innovative ap-  
19 proaches to the design of mental health serv-  
20 ices; or

21 “(B) into the causes, prevention, and  
22 treatment of mental illness.

23 “(5) The capability to evaluate effectively the  
24 activities of the center, including activities relating  
25 to the evaluation of specific efforts to improve the

1 quality and effectiveness of mental health services  
2 provided by the Department at or through individual  
3 facilities.

4 “(e)(1) In order to provide advice to assist the Sec-  
5 retary and the Under Secretary for Health to carry out  
6 their responsibilities under this section, the official within  
7 the central office of the Veterans Health Administration  
8 responsible for mental health and behavioral sciences mat-  
9 ters shall establish a peer review panel to assess the sci-  
10 entific and clinical merit of proposals that are submitted  
11 to the Secretary for the designation of centers under this  
12 section.

13 “(2) The panel shall consist of experts in the fields  
14 of mental health research, education and training, and  
15 clinical care. Members of the panel shall serve as consult-  
16 ants to the Department.

17 “(3) The panel shall review each proposal submitted  
18 to the panel by the official referred to in paragraph (1)  
19 and shall submit to that official its views on the relative  
20 scientific and clinical merit of each such proposal. The  
21 panel shall specifically determine with respect to each such  
22 proposal whether that proposal is among those proposals  
23 which have met the highest competitive standards of sci-  
24 entific and clinical merit.

1       “(4) The panel shall not be subject to the Federal  
2 Advisory Committee Act (5 U.S.C. App.).

3       “(f) Clinical and scientific investigation activities at  
4 each center established under this section—

5           “(1) may compete for the award of funding  
6 from amounts appropriated for the Department of  
7 Veterans Affairs medical and prosthetics research  
8 account; and

9           “(2) shall receive priority in the award of fund-  
10 ing from such account insofar as funds are awarded  
11 to projects and activities relating to mental illness.

12       “(g) The Under Secretary for Health shall ensure  
13 that at least three centers designated under this section  
14 emphasize research into means of improving the quality  
15 of care for veterans suffering from mental illness through  
16 the development of community-based alternatives to insti-  
17 tutional treatment for such illness.

18       “(h) The Under Secretary for Health shall ensure  
19 that information produced by the research, education and  
20 training, and clinical activities of centers established under  
21 this section that may be useful for other activities of the  
22 Veterans Health Administration is disseminated through-  
23 out the Veterans Health Administration. Such dissemina-  
24 tion shall be made through publications, through pro-  
25 grams of continuing medical and related education pro-

1 vided through regional medical education centers under  
2 subchapter VI of chapter 74 of this title, and through  
3 other means. Such programs of continuing medical edu-  
4 cation shall receive priority in the award of funding.

5       “(i) The official within the central office of the Veter-  
6 ans Health Administration responsible for mental health  
7 and behavioral sciences matters shall be responsible for  
8 supervising the operation of the centers established pursu-  
9 ant to this section and shall provide for ongoing evaluation  
10 of the centers and their compliance with the requirements  
11 of this section.

12       “(j)(1) There are authorized to be appropriated to  
13 the Department of Veterans Affairs for the basic support  
14 of the research and education and training activities of  
15 centers established pursuant to this section amounts as  
16 follows:

17               “(A) \$3,125,000 for fiscal year 1997.

18               “(B) \$6,250,000 for each of fiscal years 1998  
19 through 2000.

20       “(2) In addition to funds appropriated for a fiscal  
21 year pursuant to the authorization of appropriations in  
22 paragraph (1), the Under Secretary for Health shall allo-  
23 cate to such centers from other funds appropriated for  
24 that fiscal year generally for the Department of Veterans  
25 Affairs medical care account and the Department of Vet-

1 erans Affairs medical and prosthetics research account  
2 such amounts as the Under Secretary for Health deter-  
3 mines appropriate to carry out the purposes of this sec-  
4 tion.”.

5 (2) The table of sections at the beginning of chapter  
6 73 is amended by inserting after the item relating to sec-  
7 tion 7321, as added by section 403(b), the following new  
8 item:

“7322. Centers for mental illness research, education, and clinical activities.”.

9 (b) ANNUAL REPORTS.—Not later than February 1  
10 of each of 1997, 1998, and 1999, the Secretary of Veter-  
11 ans Affairs shall submit to the Committees on Veterans’  
12 Affairs of the Senate and House of Representatives a re-  
13 port on the status and activities during the previous fiscal  
14 year of the centers for mental illness, research, education,  
15 and clinical activities established pursuant to section 7322  
16 of title 38, United States Code (as added by subsection  
17 (a)). Each such report shall include the following:

18 (1) A description of the activities carried out at  
19 each center and the funding provided for such activi-  
20 ties.

21 (2) A description of the advances made at each  
22 of the participating facilities of the center in re-  
23 search, education and training, and clinical activities  
24 relating to mental illness in veterans.

1           (3) A description of the actions taken by the  
2 Under Secretary for Health pursuant to subsection  
3 (h) of that section (as so added) to disseminate in-  
4 formation derived from such activities throughout  
5 the Veterans Health Administration.

6           (4) The Secretary's evaluations of the effective-  
7 ness of the centers in fulfilling the purposes of the  
8 centers.

9           (c) IMPLEMENTATION.—The Secretary of Veterans  
10 Affairs shall designate at least one center under section  
11 7322 of title 38, United States Code, not later than Janu-  
12 ary 1, 1997.

13 **SEC. 405. CODIFICATION AND EXTENSION OF AUTHORITY**  
14 **FOR COMMUNITY-BASED RESIDENTIAL CARE**  
15 **FOR HOMELESS CHRONICALLY MENTALLY**  
16 **ILL VETERANS AND OTHER VETERANS.**

17           (a) IN GENERAL.—Subchapter II of chapter 17 is  
18 amended by adding at the end the following:

19 **“§ 1720E. Community-based residential care: home-**  
20 **less chronically mentally ill veterans and**  
21 **other veterans**

22           “(a)(1) The Secretary may provide to homeless veterans  
23 suffering from chronic mental illness disabilities who are  
24 eligible for care under section 1710(a)(1) of this title care

1 and treatment and rehabilitative services (directly or by  
2 contract) in—

3 “(A) halfway houses;

4 “(B) therapeutic communities;

5 “(C) psychiatric residential treatment centers;

6 and

7 “(D) other community-based treatment facili-  
8 ties.

9 “(2) In providing care and treatment and rehabilitative  
10 services under paragraph (1), the Secretary may also pro-  
11 vide such care and treatment and rehabilitative services—

12 “(A) to veterans being furnished hospital or nurs-  
13 ing home care by the Secretary for a chronic mental  
14 illness disability; and

15 “(B) to veterans with service-connected chronic  
16 mental illness disabilities.

17 “(b)(1) Before furnishing care and treatment and reha-  
18 bilitative services by contract under subsection (a) to a  
19 veteran through a facility described in subsection (a), the  
20 Secretary shall approve the quality and effectiveness of the  
21 program operated by such facility for the purpose for  
22 which the veteran is to be furnished such care and serv-  
23 ices.

1       “(2) The Secretary shall prescribe criteria for the ap-  
2       proval under paragraph (1) of the quality and effective-  
3       ness of programs.

4       “(c)(1) The Secretary may provide in-kind assistance  
5       (through the services of Department employees and the  
6       sharing of other Department resources) to a facility de-  
7       scribed in subsection (a) under this section. The Secretary  
8       shall provide such assistance to a facility under a contract  
9       between the Secretary and the facility.

10       “(2) The Secretary may provide assistance under  
11       paragraph (1)—

12               “(A) only for use solely in the furnishing of ap-  
13               propriate care and services under this section; and

14               “(B) only if, under such contract, the Secretary  
15               receives reimbursement for the full cost of such as-  
16               sistance, including the cost of services and supplies  
17               and normal depreciation and amortization of equip-  
18               ment.

19       “(3) Reimbursement under paragraph (2)(B) may be  
20       made by reduction in the charges to the United States  
21       or by payment to the United States.

22       “(4) Any funds received through reimbursement  
23       under paragraph (3) shall be credited to funds allotted to  
24       the Department facility that provided the assistance.

1 “(d) The Secretary may not provide care and treat-  
2 ment and rehabilitative services under this section after  
3 September 30, 1999.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
5 at the beginning of such chapter is amended by inserting  
6 after the item relating to section 1720D the following new  
7 item:

“1720E. Community-based residential care: homeless chronically mentally ill veterans and other veterans.”.

8 (c) REPEAL OF SUPERSEDED AUTHORITY.—Section  
9 115 of the Veterans’ Benefits and Services Act of 1988  
10 (38 U.S.C. 1712 note) is repealed.

## 11 **TITLE V—CONSTRUCTION** 12 **PLANNING**

### 13 **SEC. 501. STRATEGIC PLANNING.**

14 (a) DEVELOPMENT OF PLAN.—The Secretary of Vet-  
15 erans Affairs shall develop and implement a plan to pro-  
16 mote efficient delivery of health care services and to re-  
17 duce unnecessary duplication of health care resources. The  
18 plan shall provide for delivering health care to veterans  
19 through a coordinated network of facilities operating with-  
20 in prescribed geographic areas. Each such area shall be  
21 referred to as a “service-delivery area”.

22 (b) IMPLEMENTATION OF PLAN.—The Under Sec-  
23 retary for Health shall use the plan to—

1           (1) determine and prescribe the specific mission  
2 of, and clinical programs to be operated at, each  
3 health care facility of the Department;

4           (2) determine, with respect to each such serv-  
5 ice-delivery area and each facility in such area, the  
6 extent to which services provided under the auspices  
7 of the Secretary should be provided directly through  
8 facilities of the Department or through contract or  
9 other arrangements, including arrangements author-  
10 ized under sections 8111 and 8153 of title 38, Unit-  
11 ed States Code;

12           (3) provide for a reduction in duplication of  
13 services and programs within such service-delivery  
14 areas and a realignment of services among facilities  
15 within such areas as necessary to promote efficiency;

16           (4) develop medical facility construction  
17 projects and other capital projects;

18           (5) carry out such other purposes as the Sec-  
19 retary shall prescribe.

20           (c) REPORT ON IMPLEMENTATION.—Not later than  
21 12 months after the date of the enactment of this Act,  
22 the Secretary shall submit to the Committees on Veterans'  
23 Affairs of the Senate and House of Representatives a re-  
24 port on the implementation of this section. The report  
25 shall—

1 (1) include the plan established pursuant to  
2 subsection (a);

3 (2) identify the service-delivery areas described  
4 in such subsection and provide demographic data on  
5 the veteran population in each such service area, in-  
6 cluding projections of the number of veterans who  
7 are likely to avail themselves of Department of Vet-  
8 erans Affairs care in each such area;

9 (3) identify the specific missions required by  
10 subsection (a)(1) and the projected timetable and  
11 milestones necessary for each facility to carry out its  
12 prescribed mission; and

13 (4) identify and assess the nature and impact  
14 of such plan, including provision of an analysis of  
15 specific effects nationally and within each service-de-  
16 livery area, on the health-professions education and  
17 training, research, and contingency support func-  
18 tions of the Veterans Health Administration.

19 **SEC. 502. REVISION TO PROSPECTUS REQUIREMENTS.**

20 (a) **ADDITIONAL INFORMATION.**—Section 8104(b) is  
21 amended—

22 (1) by striking out “shall include—” and insert-  
23 ing in lieu thereof “shall include the following:”;

24 (2) in paragraph (1)—

1 (A) by striking out “a detailed” and insert-  
2 ing in lieu thereof “A detailed”; and

3 (B) by striking out the semicolon at the  
4 end and inserting in lieu thereof a period;

5 (3) in paragraph (2)—

6 (A) by striking out “an estimate” and in-  
7 serting in lieu thereof “An estimate”; and

8 (B) by striking out “; and” and inserting  
9 in lieu thereof a period;

10 (4) in paragraph (3), by striking out “an esti-  
11 mate” and inserting in lieu thereof “An estimate”;  
12 and

13 (5) by adding at the end the following new  
14 paragraphs:

15 “(4) Demographic data applicable to the  
16 project.

17 “(5) Current and projected workload and utili-  
18 zation data.

19 “(6) Current and projected operating costs of  
20 the facility, to include both recurring and non-recur-  
21 ring costs.

22 “(7) The priority score assigned to the project  
23 under the Department’s prioritization methodology  
24 and, if the project is being proposed for funding  
25 ahead of a project with a higher score, a specific ex-

1 planation of the factors other than the priority that  
2 were considered and the basis on which the project  
3 is proposed for funding ahead of projects with high-  
4 er priority scores.

5 “(8) A listing of each alternative to construc-  
6 tion of the facility that has been considered.”.

7 (b) APPLICABILITY.—The amendments made by sub-  
8 section (a) shall apply with respect to any prospectus sub-  
9 mitted by the Secretary of Veterans Affairs after the date  
10 of the enactment of this Act.

11 **SEC. 503. ANNUAL COMPILATION OF CONSTRUCTION PRI-**  
12 **ORITIES.**

13 Section 8107 is amended—

14 (1) in subsection (a)(2)—

15 (A) by inserting “and” at the end of sub-  
16 paragraph (A);

17 (B) by striking out subparagraph (B); and

18 (C) by redesignating subparagraph (C) as  
19 subparagraph (B); and

20 (2) by adding at the end the following new sub-  
21 section:

22 “(c)(1) The Secretary shall submit to each commit-  
23 tee, not later than January 31 of each year, a report show-  
24 ing the current priorities of the Department for proposed  
25 major medical construction projects. Each such report

1 shall identify the 20 projects, from within all the projects  
2 in the Department's inventory of proposed projects, that  
3 have the highest priority and, for those 20 projects, the  
4 relative priority and rank scoring of each such project.  
5 The 20 projects shall be compiled, and their relative  
6 rankings shall be shown, by category of project (including  
7 the categories of ambulatory care projects, nursing home  
8 care projects, and such other categories as the Secretary  
9 determines).

10       “(2) The Secretary shall include in each report, for  
11 each project listed, a description of the specific factors  
12 that account for the relative ranking of that project in re-  
13 lation to other projects within the same category.

14       “(3) In a case in which the relative ranking of a pro-  
15 posed project has changed since the last report under this  
16 subsection was submitted, the Secretary shall also include  
17 in the report a description of the reasons for the change  
18 in the ranking, including an explanation of any change in  
19 the scoring of the project under the Department's scoring  
20 system for proposed major medical construction  
21 projects.”.

22 **SEC. 504. CONSTRUCTION AUTHORIZATION.**

23       (a) CONGRESSIONAL APPROVAL OF DESIGN WORK.—  
24 Paragraph (2) of section 8104(a) is amended by striking  
25 out “and design”.

1 (b) DEFINITION OF MAJOR MEDICAL FACILITY  
2 PROJECT.—Paragraph (3)(A) of such section is amended  
3 by inserting before the period at the end the following:  
4 “, and, in the case of a project which is principally for  
5 the alteration of a medical facility to provide additional  
6 space for provision of ambulatory care, such term means  
7 a project involving a total expenditure of more than  
8 \$5,000,000”.

9 **TITLE VI—GENERAL HEALTH**  
10 **ADMINISTRATION**  
11 **Subtitle A—Health Care**  
12 **Administration**

13 **SEC. 601. OVERNIGHT LODGING IN DEPARTMENT FACILI-**  
14 **TIES WHEN NECESSARY FOR OUTPATIENT**  
15 **CARE.**

16 Section 1701(6)(A)(i) is amended by inserting “over-  
17 night lodging in Department facilities when necessary for  
18 the provision of services on an outpatient basis,” after  
19 “prosthetic appliances,”.

20 **SEC. 602. PILOT PROGRAM FOR NONINSTITUTIONAL AL-**  
21 **TERNATIVES TO NURSING HOME CARE.**

22 (a) EXTENSION OF PROGRAM.—Section 1720C(a) is  
23 amended by striking out “September 30, 1995” and in-  
24 serting in lieu thereof “September 30, 1997”.

1 (b) REPORT DEADLINES.—Section 201(b) of the De-  
2 partment of Veterans Affairs Nurse Pay Act of 1990  
3 (Public Law 101-366; 38 U.S.C. 1720C note) is  
4 amended—

5 (1) by striking out “February 1, 1995,” and in-  
6 serting in lieu thereof “February 1, 1997,”; and

7 (2) by striking out “September 30, 1993,” and  
8 inserting in lieu thereof “September 30, 1996,”.

9 **SEC. 603. DRUG AND ALCOHOL ABUSE AND DEPENDENCE.**

10 Section 1720A(e) is amended by striking out “De-  
11 cember 31, 1995” and inserting in lieu thereof “December  
12 31, 1997”.

13 **SEC. 604. PER DIEM FOR ADULT DAY HEALTH CARE.**

14 (a) IN GENERAL.—Subsection (a) of section 1741 is  
15 amended to read as follows:

16 “(a)(1) The Secretary shall pay to each State a per  
17 diem amount for each veteran receiving domiciliary care,  
18 nursing home care, hospital care, or adult day health care  
19 in a State home if the veteran is eligible to receive that  
20 care in a Department facility.

21 “(2) The per diem amount to be paid under this sub-  
22 section is as follows:

23 “(A) For domiciliary care, \$15.11.

24 “(B) For nursing home care and hospital care,  
25 \$35.37.





1           (2) by capitalizing the first letter of the first  
2 word of each of subparagraphs (A) and (B);

3           (3) by striking out “; and” at the end of sub-  
4 paragraph (A) and inserting in lieu thereof a period;  
5 and

6           (4) by adding at the end the following:

7           “(C) The number of such positions in the De-  
8 partment during that fiscal year held by persons in-  
9 volved in providing medical resources under section  
10 8111 or 8152 of this title, reduced by the number  
11 of persons (as determined by the Secretary) involved  
12 in furnishing medical resources to the Department  
13 under those sections.”.

14 **SEC. 612. PERMANENT AUTHORITY FOR WAIVER OF REDUC-**  
15 **TION OF RETIREMENT PAY FOR REGISTERED-**  
16 **NURSE POSITIONS.**

17       Section 7426(c) is amended by striking out the sec-  
18 ond sentence.

19 **SEC. 613. STAFFING FLEXIBILITY.**

20       (a) **AUTHORITY TO CONVERT POSITION TO HYBRID**  
21 **TITLE 38 PERSONNEL SYSTEM.**—Section 7401(3) is  
22 amended by striking out “and occupational therapists”  
23 and inserting in lieu thereof “occupational therapists, and  
24 such other persons in health care occupations as the Sec-  
25 retary considers necessary”.

1 (b) CONTRACTING FLEXIBILITY.—(1) Section 7409  
2 is amended by striking out “scarce” in subsections (a) and  
3 (b)(3).

4 (2)(A) The heading of such section, and the item re-  
5 lating to such section in the table of sections at the begin-  
6 ning of chapter 74, are each amended by striking out the  
7 third word.

8 **SEC. 614. PROTECTION AGAINST CERTAIN PROHIBITED**  
9 **PERSONNEL PRACTICES.**

10 (a) IN GENERAL.—Subchapter II of chapter 74 is  
11 amended by adding at the end the following:

12 **“§ 7427. Protection from prohibited personnel prac-**  
13 **tices**

14 “(a)(1) The provisions of law specified in paragraph  
15 (2) apply to any individual appointed as an employee of  
16 the Veterans Health Administration under chapter 73 of  
17 this title or under this chapter.

18 “(2) The provisions of law referred to in paragraph  
19 (1) are sections 1212, 1213, 1214, 1215, 1216, 1221,  
20 1222, and 2302 of title 5.

21 “(b) The authority of the Merit Systems Protection  
22 Board and of the Office of Special Counsel to review any  
23 personnel action under the authority provided for under  
24 a provision of law specified in subsection (a)(2) shall apply  
25 only to the extent specified in that provision of law.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
2 at the beginning of such chapter is amended by inserting  
3 after the item relating to section 7426 the following new  
4 item:

“7427. Protection from prohibited personnel practices.”.

5 **SEC. 615. EXTENSION OF HEALTH SCHOLARSHIP PROGRAM.**

6 Section 7618 is amended by striking out “December  
7 31, 1995” and inserting in lieu thereof “December 31,  
8 1998”.

9 **Subtitle C—Health Care Resource**  
10 **Agreements**

11 **SEC. 621. REPEAL OF TERMINATION OF AUTHORITY FOR**  
12 **EXPANDED SHARING ARRANGEMENTS.**

13 Section 204 of the Veterans Health Care Act of 1992  
14 (Public Law 102–585; 106 Stat. 4950) is repealed.

15 **SEC. 622. ACQUISITION OF HEALTH CARE RESOURCES.**

16 (a) AUTHORITY IN STATES WITH HEALTH CARE RE-  
17 FORM PLANS.—Section 8123 is amended—

18 (1) by inserting “(a)” at the beginning of the  
19 text;

20 (2) by inserting after subsection (a) the follow-  
21 ing:

22 “(b)(1) The director of a Department health care fa-  
23 cility located in a State that has established a State health  
24 care reform plan may, without regard to section 1703 of  
25 this title, or any other law or regulation pertaining to com-

1 petitive procedures, acquisition procedures, or policies  
2 (other than contract dispute procedures), or bid protests,  
3 contract with any entity or individual to procure or furnish  
4 any health care resource, as that term is defined in section  
5 8151 of this title. The references in this subsection to laws  
6 or regulations shall not be construed to apply to any provi-  
7 sion of title XVIII or XIX of the Social Security Act.

8 “(2) A director may contract to furnish services  
9 under this subsection to individuals who are not veterans  
10 only if the director determines that a contract to furnish  
11 such services—

12 “(A) is necessary to maintain an acceptable  
13 level and quality of service to veterans at that facil-  
14 ity;

15 “(B) will result in the improvement of services  
16 to eligible veterans at that facility; and

17 “(C) will not result in the denial of, or a delay  
18 in providing access to, care to any veteran at that  
19 facility.

20 “(3) In entering into a contract to provide services  
21 under this subsection, the director may provide for pay-  
22 ment to the Department in accordance with procedures  
23 that provide appropriate flexibility to negotiate an appro-  
24 priate rate of reimbursement. Any proceeds to the Govern-  
25 ment received therefrom shall be credited to the applicable

1 appropriation of the Department and to funds that have  
2 been allotted to the facility that furnished the care or serv-  
3 ices.

4       “(4) For purposes of this subsection, a State health  
5 care reform plan shall be considered to have been estab-  
6 lished in a State if the Secretary determines that the State  
7 has enacted legislation that is intended, at least in part,  
8 to provide residents of that State who lack, or have inad-  
9 equate, health insurance coverage access to health care  
10 services.

11       “(c) A provision of law enacted after the date of en-  
12 actment of this subsection shall not be construed as appli-  
13 cable to purchases of prosthetic appliances or health care  
14 resources by the Department unless that provision of law  
15 specifically refers to this section and specifically states  
16 that such provision of law modifies or supersedes this sec-  
17 tion.

18       “(d) The authority to enter into a contract under  
19 subsection (b) shall expire on September 30, 2000.”.

20       (b) CLERICAL AMENDMENTS.—(1) The heading of  
21 section 8123 is amended to read:

1 **“§8123. Procurement of prosthetic appliances and**  
 2 **health care resources”.**

3 (2) The table of sections at the beginning of chapter  
 4 81 is amended by striking out the item relating to section  
 5 8123 and inserting in lieu thereof the following:

“8123. Procurement of prosthetic appliances and health care resources.”.

6 **SEC. 623. SHARING AGREEMENTS FOR SPECIALIZED MEDI-**  
 7 **CAL RESOURCES.**

8 (a) REPEAL OF SECTION 8151.—(1) Subchapter IV  
 9 of chapter 81 is amended—

10 (A) by striking out section 8151; and

11 (B) by redesignating sections 8152, 8153,  
 12 8154, 8155, 8156, 8157, and 8158 as sections 8151,  
 13 8152, 8153, 8154, 8155, 8156, and 8157, respec-  
 14 tively.

15 (2) The table of sections at the beginning of chapter  
 16 81 is amended—

17 (A) by striking out the item relating to section  
 18 8151; and

19 (B) by revising the items relating to sections  
 20 8152, 8153, 8154, 8155, and 8156 to reflect the  
 21 redesignations by paragraph (1)(B).

22 (b) REVISED AUTHORITY FOR SHARING AGREE-  
 23 MENTS.—Section 8152, as redesignated by subsection  
 24 (a)(1)(B), is amended—

25 (1) in subsection (a)—

1 (A) by striking out “certain specialized  
2 medical” and inserting in lieu thereof “health  
3 care”;

4 (B) by striking out “clauses (i)” and all  
5 that follows through “medical schools:” and in-  
6 serting in lieu thereof “paragraphs (1) and (2),  
7 between Department health-care facilities and  
8 any medical school, health care provider, health  
9 care plan, insurer, or other entity or individ-  
10 ual:”;

11 (C) by striking out “specialized medical”  
12 in paragraphs (1) and (2) and inserting in lieu  
13 thereof “health care”; and

14 (D) by striking out “have been justified on  
15 the basis of veterans’ care, but which are not  
16 utilized” in paragraph (2) and inserting in lieu  
17 thereof “are not, or would not be, used”;

18 (2) in subsection (b), by striking out “reciprocal  
19 reimbursement” in the first sentence and all that  
20 follows through the period at the end of that sen-  
21 tence and inserting in lieu thereof “payment to the  
22 Department in accordance with procedures that pro-  
23 vide appropriate flexibility to negotiate payment  
24 which is in the best interest of the Government.”;

1           (3) in subsection (d), by striking out “preclude  
2           such payment, in accordance with—” and all that  
3           follows through “to such facility therefor” and in-  
4           serting in lieu thereof “preclude such payment to  
5           such facility for such care or services”;

6           (4) by redesignating subsection (e) as sub-  
7           section (f); and

8           (5) by inserting after subsection (d) the follow-  
9           ing new subsection (e):

10          “(e) The Secretary may make an arrangement that  
11          authorizes the furnishing of services by the Secretary  
12          under this section to individuals who are not veterans only  
13          if the Secretary determines that such an arrangement—

14                 “(1) is necessary to maintain an acceptable  
15                 level and quality of service to veterans at that facil-  
16                 ity;

17                 “(2) will result in the improvement of services  
18                 to eligible veterans at that facility; and

19                 “(3) will not result in the denial of, or a delay  
20                 in providing access to, care to any veteran at that  
21                 facility.”.

22          (c) CROSS-REFERENCE AMENDMENTS.—(1) Section  
23          8110(c)(3)(A) is amended by striking out “8153” and in-  
24          serting in lieu thereof “8152”.

1       (2) Subsection (b) of section 8154 (as redesignated  
2 by subsection (a)(1)(B)) is amended by striking out “sec-  
3 tion 8154” and inserting in lieu thereof “section 8153”.

4       (3) Section 8156 (as redesignated by subsection  
5 (a)(1)(B)) is amended—

6           (A) in subsection (a), by striking out “section  
7 8153(a)” and inserting in lieu thereof “section  
8 8152(a)”; and

9           (B) in subsection (b)(3), by striking out “sec-  
10 tion 8153” and inserting in lieu thereof “section  
11 8152”.

12       (4) Subsection (a) of section 8157 (as redesignated  
13 by subsection (a)(1)(B)) is amended—

14           (A) in the matter preceding paragraph (1), by  
15 striking out “section 8157” and “section 8153(a)”  
16 and inserting in lieu thereof “section 8156” and  
17 “section 8152(a)”, respectively; and

18           (B) in paragraph (1), by striking out “section  
19 8157(b)(4)” and inserting in lieu thereof “section  
20 8156(b)(4)”.

## 21           **Subtitle D—Miscellaneous**

### 22       **SEC. 631. DEPARTMENT OF VETERANS AFFAIRS RESEARCH** 23           **ADVISORY COMMITTEES.**

24       (a) STATUTORY BASIS FOR RESEARCH ADVISORY  
25 COMMITTEES.—Subchapter III of chapter 5 is amended

1 by adding after section 545, as added by section 302(a),  
2 the following new section:

3 **“§ 546. Veterans research advisory committees**

4       “(a) Congress declares that each of the veterans re-  
5 search advisory committees specified in subsection (c)  
6 (previously established by the Secretary in carrying out  
7 the duties of the Secretary under section 7303 of this title)  
8 has a continuing, ongoing function that is integrally relat-  
9 ed to the successful completion by the Department of its  
10 statutory duties. Each such committee shall, for all pur-  
11 poses, operate as though such committee had been estab-  
12 lished by, and chartered pursuant to, law. The objectives  
13 and scope of the activities of each such committee and the  
14 duties for which the committee is responsible, as specified  
15 by the Secretary as of September 1, 1993, shall be those  
16 in effect as of that date.

17       “(b) The Secretary may not terminate a veterans’ re-  
18 search advisory committee specified in subsection (c) un-  
19 less the Secretary finds that the committee is no longer  
20 needed. Not less than 120 days before terminating such  
21 a committee, the Secretary shall submit to the Committees  
22 on Veterans’ Affairs of the Senate and House of Rep-  
23 resentatives a report on the proposed termination. The re-  
24 port shall include an explanation of (1) the basis for the  
25 Secretary’s determination that such committee is no

1 longer needed, and (2) the manner in which the Secretary  
2 will carry out the Secretary's responsibilities under section  
3 7303 of this title in the absence of the committee.

4       “(c) For purposes of this section, each of the follow-  
5 ing committees and boards, as established by the Sec-  
6 retary as of September 1, 1993, shall be considered to be  
7 a veterans' research advisory committee:

8               “(1) The Career Development Committee.

9               “(2) The Department of Veterans Affairs Coop-  
10 erative Studies Evaluation Committee.

11              “(3) The Merit Review Board for Basic  
12 Sciences Programs.

13              “(4) The Merit Review Board for Cardio-  
14 vascular Programs.

15              “(5) The Merit Review Board for Clinical Phar-  
16 macology, Alcoholism, and Drug Dependence Pro-  
17 grams.

18              “(6) The Merit Review Board for Endocrinol-  
19 ogy Programs.

20              “(7) The Merit Review Board for Gastro-  
21 enterology Programs.

22              “(8) The Merit Review Board for Hematology  
23 Programs.

24              “(9) The Merit Review Board for Immunology  
25 Programs.

1           “(10) The Merit Review Board for Infectious  
2 Diseases Programs.

3           “(11) The Merit Review Board for Mental  
4 Health and Behavioral Sciences Programs.

5           “(12) The Merit Review Board for Nephrology  
6 Programs.

7           “(13) The Merit Review Board for  
8 Neurobiology Programs.

9           “(14) The Merit Review Board for Oncology  
10 Programs.

11           “(15) The Merit Review Board for Respiration  
12 Programs.

13           “(16) The Merit Review Board for Surgery  
14 Programs.

15           “(17) The Scientific Review and Evaluation  
16 Board for Health Services Research and Develop-  
17 ment.

18           “(18) The Scientific Review and Evaluation  
19 Board for Rehabilitation Research and Develop-  
20 ment.”.

21           (b) CLERICAL AMENDMENT.—The table of sections  
22 at the beginning of chapter 5 is amended by inserting  
23 after the item relating to section 545, as added by section  
24 302(a), the following new item:

“546. Veterans research advisory committees.”.

1 **SEC. 632. TECHNICAL AMENDMENTS.**

2 (a) IN GENERAL.—Sections 7361(b) and 7363(c) are  
3 each amended by striking out “section 501(c)(3) of”.

4 (b) EFFECTIVE DATE.—The amendments made by  
5 subsection (a) shall take effect as of May 20, 1988.

6 **SEC. 633. SUBMITTAL DATE FOR REPORT ON ANNUAL**  
7 **ANALYSIS OF DEPARTMENTWIDE ADMIS-**  
8 **SIONS POLICIES.**

9 Section 8110(a)(3)(B) is amended by striking out  
10 “December 1” and inserting in lieu thereof “April 1”.

11 **SEC. 634. CHILD CARE SERVICES.**

12 (a) REVISED CHILD CARE AUTHORITY.—Chapter 81  
13 is amended by inserting after section 8116 the following  
14 new section:

15 **“§8117. Child care centers**

16 “(a) The Secretary may provide for the operation of  
17 child care centers at Department facilities. The operation  
18 of such centers under this section shall be carried out to  
19 the extent that the Secretary determines, based on the de-  
20 mand of employees of the Department for the care in-  
21 volved, that such operation is in the best interest of the  
22 Department and that it is practicable to do so.

23 “(b)(1) In offering child care services under this sec-  
24 tion, the Secretary shall give priority (in the following  
25 order) to employees of—

26 “(A) the Department;

1           “(B) other departments and agencies of the  
2           Federal Government; and

3           “(C) schools affiliated with the Department and  
4           corporations created under section 7361 of this title.

5           “(2) To the extent that space is available, the Sec-  
6           retary may provide child care services to members of the  
7           public at a child care center operated under this section  
8           if the Secretary determines that to do so is necessary to  
9           assure the financial success of that center.

10          “(c)(1) The Secretary shall establish reasonable  
11          charges for child care services provided at each child care  
12          center operated under this section. Such charges may be  
13          established at different rates for different centers.

14          “(2) In establishing charges for child care services  
15          provided at a center, the Secretary—

16                 “(A) shall (except as provided in paragraph (3))  
17                 establish the charges so as to ensure that the sum  
18                 of all charges for child care services at that center  
19                 is sufficient to meet the staffing expenses of that  
20                 center; and

21                 “(B) may also consider the expenses of con-  
22                 structing or acquiring space for the center, the ex-  
23                 penses of converting existing space into the center,  
24                 and the expenses of equipment and services fur-  
25                 nished to the center under subsection (d)(2).

1       “(3) The Secretary may establish charges for child  
2 care services provided at a center at rates less than those  
3 necessary to ensure that the sum of all charges for child  
4 care services at that center is sufficient to meet the staff-  
5 ing expenses of that center if the Secretary determines  
6 (with respect to a particular facility of the Department)  
7 that—

8               “(A) the operation of a child care center at that  
9 facility would help overcome serious recruitment or  
10 retention problems;

11               “(B) adherence to the requirement to establish  
12 charges for child care services at that center at rates  
13 sufficient to meet the staffing expenses of that cen-  
14 ter would make the operation of a child care center  
15 at that facility infeasible; and

16               “(C) there are no other practical alternatives to  
17 meeting the needs of employees at that facility for  
18 child care services.

19       “(4) Proceeds from charges for child care services  
20 shall be credited to the applicable Department of Veterans  
21 Affairs account and shall be allotted to the facility served  
22 by the child care center and shall remain available until  
23 expended.

1       “(d) In connection with the establishment and oper-  
2 ation of a child care center under this section, the Sec-  
3 retary—

4               “(1) may construct or alter space in any De-  
5 partment facility, and may lease space in a non-De-  
6 partment facility for a term not to exceed 20 years,  
7 for use as a child care center;

8               “(2) may provide, out of operating funds, other  
9 items and services necessary for the operation of the  
10 center, including furniture, office machines and  
11 equipment, utility and custodial services, and other  
12 necessary services and amenities;

13               “(3) shall provide for the participation (directly  
14 or through a parent advisory committee) of parents  
15 of children receiving care in the center in the estab-  
16 lishment of policies to govern the operation of the  
17 center and in the oversight of the implementation of  
18 such policies;

19               “(4) shall require the development and use of a  
20 process for determining the fitness and suitability of  
21 prospective employees of or volunteers at the center;  
22 and

23               “(5) shall require in connection with the oper-  
24 ation of the center compliance with all State and  
25 local laws, ordinances, and regulations relating to

1 health and safety and the operation of child care  
2 centers.

3 “(e) The Secretary shall prescribe guidelines to carry  
4 out this section.

5 “(f) For the purpose of this section, the term ‘parent  
6 advisory committee’ means a committee comprised of, and  
7 selected by, the parents of children receiving care in a  
8 child care center operated under this section.”.

9 (b) CONFORMING REPEAL.—Section 7809 is re-  
10 pealed.

11 (c) CLERICAL AMENDMENTS.—(1) The table of sec-  
12 tions at the beginning of chapter 81 is amended by insert-  
13 ing after the item relating to section 8116 the following  
14 new item:

“8117. Child care centers.”.

15 (2) The table of sections at the beginning of chapter  
16 78 is amended by striking out the item relating to section  
17 7809.

18 **SEC. 635. CONTRACTS FOR UTILITIES, AUDIE L. MURPHY**  
19 **MEMORIAL HOSPITAL.**

20 (a) AUTHORITY TO CONTRACT.—Subject to sub-  
21 section (b), the Secretary of Veterans Affairs may enter  
22 into contracts for the provision of utilities (including  
23 steam and chilled water) to the Audie L. Murphy Memo-  
24 rial Hospital in San Antonio, Texas. Each such contract  
25 may—

1 (1) be for a period not to exceed 35 years;

2 (2) provide for the construction and operation  
3 of a production facility on or near property under  
4 the jurisdiction of the Secretary;

5 (3) require capital contributions by the parties  
6 involved for the construction of such a facility, such  
7 contribution to be in the form of cash, equipment,  
8 or other in-kind contribution; and

9 (4) provide for a predetermined formula to  
10 compute the cost of providing such utilities to the  
11 parties for the duration of the contract.

12 (b) FUNDS.—A contract may be entered into under  
13 subsection (a) only to the extent that appropriations are  
14 available.

15 (c) ADDITIONAL TERMS.—The Secretary may include  
16 in a contract under subsection (a) such additional provi-  
17 sions as the Secretary considers necessary to secure the  
18 provision of utilities and to protect the interests of the  
19 United States.

20 **SEC. 636. AUTHORITY TO ENTER INTO AGREEMENT FOR**  
21 **USE OF PROPERTY AT EDWARD HINES, JR.,**  
22 **DEPARTMENT OF VETERANS AFFAIRS HOS-**  
23 **PITAL.**

24 (a) IN GENERAL.—The Secretary of Veterans Affairs  
25 may enter into a long-term lease or similar agreement with

1 the organization known as The Caring Place at Loyola,  
2 Inc., a not-for-profit organization operating under the  
3 laws of the State of Illinois, to permit that organization  
4 to establish on the grounds of the Edward Hines, Jr., De-  
5 partment of Veterans Affairs Hospital, Hines, Illinois, a  
6 facility to provide temporary accommodations for family  
7 members of severely ill children who are being treated at  
8 the Loyola University of Chicago Medical Center and  
9 other hospitals.

10 (b) CONDITIONS.—An agreement under subsection  
11 (a)—

12 (1) shall ensure that there shall be no cost to  
13 the United States as a result of the property use au-  
14 thorized by that subsection;

15 (2) may permit the use of the property without  
16 rent; and

17 (3) shall, to the extent practicable, ensure that  
18 one room of the facility is available for the use of  
19 a veteran (at no cost to the veteran) as temporary  
20 accommodations for the veteran while a severely ill  
21 child of the veteran is treated at the Loyola Univer-  
22 sity of Chicago Medical Center or other hospitals.

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